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FM AMCONSUL JERUSALEM
TO RUEHC/SECSTATE WASHDC0000
INFO ARAB ISRAELI COLLECTIVE
RHEHNSC/NSC WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RUEHBS/USEU BRUSSELS

C O N F I D E N T I A L JERUSALEM 000670

SIPDIS

SIPDIS

NEA FOR FRONT OFFICE; NEA/IPA FOR
WILLIAMS/SHAMPAINE/STEINGER; NSC FOR ABRAMS/DORAN/WATERS;
TREASURY FOR SZUBIN/LOEFFLER/NUGENT/HIRSON

E.O. 12958: DECL: 04/12/2017
TAGS: [ECON](#) [EIND](#) [ETRD](#) [EINV](#) [KWBG](#) [IS](#)
SUBJECT: RESTRICTIONS ON MOVEMENT AND ACCESS CRIPPLE NABLUS
ECONOMY

CLASSIFIED BY: CONSUL GENERAL JAKE WALLE, REASONS 1.4 (B) AND (D).

11. (SBU) SUMMARY: RESTRICTIONS ON ACCESS AND MOVEMENT
CONTINUE TO DEGRADE THE NABLUS ECONOMY, ACCORDING TO LOCAL
BUSINESSMEN. INDUSTRIAL PRODUCTION HAS PLUMMETED,
TRANSPORTATION COSTS KEEP RISING, BUSINESSES HAVE CLOSED OR,
IN SOME CASES, MOVED TO NEARBY CITIES OR OUT OF THE WEST
BANK. UNEMPLOYMENT EXCEEDS 40 PERCENT AND THE POVERTY RATE
STANDS AT 60 PERCENT. PALESTINIANS FEAR THAT NABLUS IS
BECOMING "THE GAZA OF THE WEST BANK." ISRAELI LABELING AND
DOCUMENTATION REQUIREMENTS ARE ALSO REPORTEDLY IMPEDING
PALESTINIAN TRADE. END SUMMARY.

12. (SBU) NABLUS CHAMBER OF COMMERCE MEMBERS AND OTHER LOCAL
BUSINESSMEN TOLD ECONSPECIALIST APRIL 9 THAT ISRAELI
RESTRICTIONS HAVE DECIMATED THE CITY'S ONCE THRIVING ECONOMY.
THEY ASSERTED THAT NABLUS, WITH ABOUT 200,000 INHABITANTS,
IS THE ONLY PALESTINIAN CITY WHERE ISRAELI AUTHORITIES
REQUIRE PALESTINIANS TO HAVE A PERMIT TO ENTER AND TO EXIT.
BUSINESSMEN ARE GIVEN NO SPECIAL CONSIDERATION AND OFTEN WAIT
AT CHECKPOINTS FOR SEVERAL HOURS.

ECONOMIC DECLINE

13. (C) NATIONAL ALUMINUM AND PROFILE COMPANY GENERAL MANAGER
ANAN ANABTAWI TOLD ECONSPECIALIST THAT PROHIBITIONS ON THE
IMPORTATION OF CHEMICALS NEEDED AT HIS USD 20 MILLION FACTORY
OBLIGE HIM TO OPERATE THE PLANT AT 30 PERCENT CAPACITY. HE
SAID THAT HIS EFFORTS TO ADDRESS ISRAELI CONCERNS BY
IMPLEMENTING EXTRA SAFEGUARDS FOR TRANSPORT AND STORAGE OF
THE CHEMICALS FAILED TO FREE THE FLOW OF THESE MATERIALS. THE
IDF HAS ALSO BLOCKED HIS FACTORY'S ACCESS TO THE NEAREST MAIN
ROAD. SOPHISTICATED EQUIPMENT AT THE FACTORY HAS NOT BEEN
ADEQUATELY MAINTAINED BECAUSE ISRAELIS HAVE DENIED PERMITS TO
TECHNICIANS FROM JORDAN.

14. (SBU) NABLUS CHAMBER OF COMMERCE CHAIRMAN BASSEL KANAN
CITED PALESTINIAN CENTRAL BUREAU OF STATISTICS (PCBS) AND UN
AGENCY DATA IN DESCRIBING HIS CITY'S STARK SITUATION:

-- INDUSTRIAL OUTPUT HAS FALLEN 50 PERCENT (PCBS).
-- PERCENTAGE OF THE POPULATION LIVING UNDER THE POVERTY LINE
IS ABOUT 60 PERCENT (OCHA).
-- UNEMPLOYMENT RATE IN NABLUS GOVERNORATE IS 42 PERCENT
(PCBS).

KANAN AND OTHER BUSINESSMEN ALSO NOTED THAT THE CRIME RATE IN
NABLUS HAS RISEN SHARPLY AND, DESPITE ISRAELI SECURITY

RESTRICTIONS, AN ESTIMATED 5,000 STOLEN VEHICLES PLY THE CITY'S STREETS.

THE GAZA OF THE WEST BANK

15. (C) THE BUSINESSMENS MOST URGENT CONCERN IS THAT NABLUS IS BECOMING "THE GAZA OF THE WEST BANK" DUE TO CONTINUED ISRAELI RESTRICTIONS ON MOVEMENT AND ACCESS. THEY NOTED THAT RESIDENTS OF THE VILLAGE OF HUWWARA -- LESS THAN A FIVE MINUTE DRIVE SOUTH OF NABLUS BUT ON THE OTHER SIDE OF AN ISRAELI CHECKPOINT BEARING THE SAME NAME -- STATED THAT IT IS MUCH EASIER FOR THEM TO TRAVEL 45 MINUTES TO RAMALLAH THAN ATTEMPT TO ENTER AND DO BUSINESS IN NABLUS. CAPITAL FLIGHT IS A GROWING PROBLEM, WITH PROMINENT COMPANIES SUCH AS PADICO, PALTEL, AND JAWWAL LEAVING NABLUS, AND TAKING THEIR PROFESSIONALS, TOO.

16. (C) NEAR EAST INDUSTRIES AND TRADE CO., LTD. MANAGING DIRECTOR ALI ANABTAWI TOLD ECONOFFS MARCH 19 THAT HE BELIEVED RESTRICTIONS ON ACCESS AND MOVEMENT HAVE GOTTEN WORSE SINCE THE FORMATION OF A HAMAS-LED PA GOVERNMENT IN MARCH 2006. HE ESTIMATED THAT THERE ARE BETWEEN 10-12 CHECKPOINTS AND OBSTACLES SURROUNDING THE NABLUS, FAR MORE THAN ANY OTHER WEST BANK CITY. ANABTAWI ASSERTED THAT THE NUMBER OF PERMITS AVAILABLE TO TRAVELERS, TRUCKS AND CARS HAS DROPPED SHARPLY.
WALLES